

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

CRIMINAL COMPLAINT

UNITED STATES OF AMERICA

v.

CASE NUMBER:

ARENDA TROUTMAN

I, Joan Marie Hyde, the undersigned complainant being duly sworn, state the following is true and correct to the best of my knowledge and belief:

Beginning in or about May 2006, and continuing through the present, in Cook County, in the Northern District of Illinois, and elsewhere, defendant,

an alderman representing the 20th Ward of the City of Chicago, corruptly solicited and demanded for the benefit of any person, and accepted and agreed to accept things of value, namely cash payments, intending to be influenced or rewarded in connection with any business, transaction, and series of transactions of the City of Chicago involving any thing of value of \$5,000 or more, including her official support and introduction to the City Council of Chicago of ordinances regarding alley access, with the City of Chicago being an agency that received in excess of \$10,000 in federal funding in a twelve-month period from January 1, 2006 to December 31, 2006;

in violation of Title 18 United States Code, Sections 666(a)(1)(B) and 2.

I further state that I am an Special Agent of the Federal Bureau of Investigation and that this complaint is based on the following facts:

See attached affidavit

Continued on the attached sheet and made a part hereof: X Yes No.

Signature of Complainant

Sworn to before me and subscribed in my presence,

January 5, 2007 at _____
Date

Chicago, Illinois
City and State

ARLANDER KEYS, U.S. MAGISTRATE JUDGE
Name & Title of Judicial Officer

Signature of Judicial Officer

period from January 1, 2006 to December 31, 2006; in violation of Title 18 United States Code, Sections 666(a)(1)(B) and 2.

3. The information contained in this Affidavit is derived from: Affiant's knowledge of and prior experience in public corruption investigations including those at local and federal levels; information obtained during interviews with local and federal government officials, bank employees, gang members and cooperating witnesses ("CWs") conducted by Affiant and other law enforcement officers; documents and records reviewed in the course of this investigation; and information obtained by the Affiant from other federal investigators experienced in public corruption investigations. As a result of my participation in this investigation, my interviews with and review of reports prepared by agents in the FBI, Internal Revenue Service ("IRS"), as well as other federal and local agencies, and other law enforcement agents and officers, I am familiar with all aspects of this investigation as described in this Affidavit. The information contained in this Affidavit includes the results of physical surveillance; information provided by CWs to agents and to a federal grand jury; agents' interviews of witnesses; and agents' review of consensually recorded conversations and meetings. Since this Affidavit is being submitted for the limited purpose of establishing probable cause to arrest defendant, I have not included each and every fact known to me concerning this investigation.

4. Based on the information contained in this Affidavit, I submit that there is probable cause to believe defendant committed the offense of bribery, in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

II. BACKGROUND OF THE INVESTIGATION

5. The complaint is based on an investigation into corrupt activity and related criminal

conduct involving Chicago City Council member, 20th Ward Alderwoman ARENDA TROUTMAN (“TROUTMAN”) and others, in Chicago, Illinois, and elsewhere. The investigation has been conducted by the FBI, the IRS, and the Bureau of Immigration and Customs Enforcement (“ICE”).

6. During the course of the investigation I, and other agents, have used the following investigative tools to gather evidence relating to TROUTMAN: debriefing of CWs regarding their knowledge of the above-described conduct; physical surveillance; electronic surveillance, including consensual recordings made of telephone calls and in-person meetings between TROUTMAN and others involved in this activity; interviews of witnesses; and the use of grand jury subpoenas, which resulted in the collection of documents and testimony regarding TROUTMAN’s criminal activity.

7. At times material to this complaint, TROUTMAN has been the elected alderman for the City of Chicago’s 20th Ward. At all times relevant to this complaint, the City of Chicago was a unit of local government known as a municipal corporation, and a political subdivision of the State of Illinois.

8. According to information provided by the United States Department of Housing and Urban Development (“HUD”), as well as public information electronically available, the City of Chicago received far in excess of \$10,000 in federal funding for each calendar year 2002, 2003 and 2006.

9. For some of the recordings summarized below, I have placed in brackets my understanding, other agents’ understanding and CW2’s understanding of what is being said during the recordings, based on the contents and context of the conversations, my experience as a law enforcement officer, and the experience of other law enforcement officers in this investigation, including our experience listening to the intercepted conversations as a whole. In most cases, voice

identifications are based on names used during the intercepted conversations, videotape depicting the participants to the recorded conversations, self-identification captured during the recorded conversations, historical information developed during this investigation, telephone subscriber information, and/or surveillance by agents. The summaries below do not include all potentially criminal conversations intercepted during the course of the investigation, or all statements or topics covered during the course of the intercepted conversations.

III. PROBABLE CAUSE

A. Evidence Regarding 2003 Bribery

10. In or about October 2004, CW1 approached the government and began cooperating in this investigation. Prior to that time, CW1 was charged in the Northern District of Illinois with money laundering and firearms offenses. CW1 subsequently pled guilty to those charges and was sentenced to a term of imprisonment in the Federal Bureau of Prisons, a fine, and a term of supervised release. During the course of this prosecution, CW1 made false and misleading statements regarding his/her assets and financial position, which the government brought to the attention of the court. CW1 was also convicted and sentenced in state court for possession of a stolen car. At the time of the filing of this Affidavit, there have been no discussions with CW1 regarding what benefits, if any, he/she will receive in exchange for the information CW1 provided to the government. CW1 was interviewed by agents; testified before a federal grand jury; and provided the following information:

a. In approximately early 2002 or 2003, CW1 purchased a two flat building located near TROUTMAN's ward office at 5859 S. State Street, Chicago ("the ward office"). Following the purchase, CW1 began to rehabilitate the building without first obtaining the proper

building permits from the City of Chicago. CW1 worked on this building in approximately early 2002 or 2003, and was approached by Coconspirator A, who at the time worked for TROUTMAN's office. Coconspirator A said that he worked in TROUTMAN's office and told CW1 that he was her assistant. Coconspirator A told CW1 that CW1 could not work on his/her building without a building permit. Coconspirator A also said that if CW1 "took care of the office," then CW1 would be allowed to continue to work on the building. CW1 understood Coconspirator A to mean that if CW1 paid a contribution to TROUTMAN's office, then CW1 would be allowed to continue to work on his/her building without having to obtain the appropriate building permits from the city. CW1 initially declined to make any contributions to Coconspirator A or to TROUTMAN's office.

b. Approximately one week later, CW1 was working on his/her building at night when a friend, who was in front of the building, called CW1 and told CW1 that the police were in front of the building. CW1 walked out of the building and saw two Chicago Police Department ("CPD") officers in uniform. Coconspirator A was also there, and CW1 heard Coconspirator A tell the officers to arrest CW1 because CW1 was told not to work on the building. After talking to CW1, the officers decided not to arrest CW1.

c. The next day, CW1 went to TROUTMAN's office and asked for Coconspirator A, who came to the front office and spoke to CW1 outside of the office. CW1 went to see Coconspirator A because CW1 did not want to have any more problems with the police or from TROUTMAN's office. Coconspirator A asked CW1 if CW1 was "ready to take care of the office," and told CW1 that for \$10,000 in cash, CW1 would be allowed to finish rehabbing CW1's building without a permit. CW1 told Coconspirator A that CW1 wanted to finish working on the building but that \$10,000 was too much to pay. CW1 negotiated with Coconspirator A, and agreed

that CW1 would give him \$8,000 for TROUTMAN's office in exchange for allowing CW1 to continue to work on the building without getting the proper permits.

d. CW1 left and went home where CW1 retrieved \$8,000. This money, which consisted of mostly \$20 bills, represented proceeds that CW1 had obtained through the sale of cocaine. Either later that day, or the next day, CW1 met with Coconspirator A in the alley located east of State Street in the vicinity of TROUTMAN's office. CW1 gave Coconspirator A the \$8,000 that was in one bundle with a rubber band around it. Following this payment, CW1 continued to work on the building without any more problems from the police, city inspectors, TROUTMAN or Coconspirator A.

e. CW1 finished rehabbing the building approximately seven months to one year following this payment to Coconspirator A. After CW1 finished rehabbing the building, CW1 applied for a business license with the city to open a beauty salon on the first floor and rent the apartment on the second floor. When CW1 went to Chicago city hall to apply for the business license, an employee at the counter told CW1 that the building was not zoned for commercial use, and that CW1 needed to have the building rezoned for commercial use. The employee said that CW1 needed to get a letter from the alderman in whose ward the building was located stating that the alderman supported the rezoning. He said CW1 also needed to have the community's approval.

f. Approximately one week later, CW1 attended a meeting held on the second floor of TROUTMAN's ward office. Among those present for the meeting with CW1 were TROUTMAN, Coconspirator A and others.

g. At this meeting, CW1 asked for a letter from TROUTMAN showing her support for the rezoning. In TROUTMAN's presence, Coconspirator A told CW1 that

TROUTMAN would provide a letter supporting a rezoning of CW1's building if CW1, "took care of the office" again. CW1 understood this to mean that if CW1 made another payment to TROUTMAN, she would support CW1's effort to get the building zoned for commercial use. Coconspirator A told CW1 that the price would be \$15,000 in order to get the letter. CW1 thought that \$15,000 was too much and offered \$12,000, which Coconspirator A agreed to. TROUTMAN was present for this entire discussion of how much money CW1 would need to pay in order to get her support for rezoning the building. About a day or two later, CW1 met Coconspirator A at TROUTMAN's ward office and paid Coconspirator A \$6,000 in \$20 bills. CW1 put this money, which CW1 made through the sale of cocaine, in an envelope and paid Coconspirator A in TROUTMAN's ward office. At the time of this payment, CW1 told Coconspirator A that CW1 would give him the remaining \$6,000 at a later time.

h. CW1 paid Coconspirator A the remaining \$6,000 a few weeks later. This payment took place at CW1's building. After making this second payment, Coconspirator A said that the letter from TROUTMAN was ready. CW1 went to TROUTMAN's office and was told by a woman that the letter would be ready later in the day. CW1 left and went back later in the day. When CW1 returned, CW1 was given the letter by TROUTMAN's sister. The letter had TROUTMAN's signature, and it stated that she approved of the rezoning for the building. The letter is marked as Government Exhibit 1, and is attached to and made a part of this Affidavit. CW1 believes that CW1 received a receipt from one of TROUTMAN's employees for a portion of the \$12,000 payment. The receipt was only for a few hundred dollars and made it look like a campaign contribution. After giving the letter to CW1's attorney, CW1 waited approximately four months, at which time CW1 started getting the zoning on the building changed. CW1 appeared before the city

council and received approval to have the zoning changed. CW1 was arrested on his/her federal charges about two weeks later in about August 2003.

i. During the time CW1 has known Coconspirator A, he invited CW1 to attend fundraising functions for TROUTMAN at a nightclub located in the Englewood area. CW1 was not comfortable attending these parties because CW1 was not politically active and knew that this particular nightclub was a hang-out for members of the Black Disciples (“BDs”) street gang. CW1 knows some BD members.

11. During the course of this investigation, agents obtained various documents supporting CW1's statements. For example, CW1 provided agents with the letter of support signed by TROUTMAN dated March 17, 2003 on her official letterhead, indicating her support to have the zoning changed for CW1's building located near TROUTMAN's ward office. Also, records regarding the purchase of CW1's building located near TROUTMAN's ward office reveal that CW1 acquired this piece of real estate on or about March 15, 2002, and that at the time of purchase, the building located at this address contained two dwelling units. Additionally, evidence gathered during the investigation revealed that Coconspirator A was an employee of TROUTMAN's at or about the times CW1 described. Also, information contained in the Illinois Board of Elections' website indicates that Coconspirator A served as an officer in one of TROUTMAN's campaign committees. Coconspirator A is currently employed by the City of Chicago.

B. 2006 Bribery

12. During the course of this investigation, CW2¹ provided information regarding

¹ CW2 is a target of a mortgage fraud investigation by the FBI that is unrelated to the TROUTMAN investigation. CW2 has no other criminal history that I am aware of. In about April 2006, CW2 was approached by agents and agreed to cooperate with the government in its

TROUTMAN. Beginning in about May 2006 and continuing through the present time, CW2 recorded numerous telephone and in-person conversations with TROUTMAN and others regarding the charge contained in this complaint, as well as other criminal activity committed by TROUTMAN and others.

1. Relationship Between CW2 and TROUTMAN

13. CW2 provided agents with information about his/her relationship with TROUTMAN. CW2 stated that he/she has a close business and personal relationship with TROUTMAN and has known her for several years.

14. Surveillance and public records indicate TROUTMAN's home address is 6518 S. Kimbark, Chicago, Illinois, and that she also owns at least one of the vacant lots on either side of her home. TROUTMAN bought her home in October 1997 for \$35,000.

15. In about 2003, CW2 assisted TROUTMAN in the refinancing of her home located at 6518 S. Kimbark, Chicago (the "Kimbark home"). As part of his/her assistance to TROUTMAN regarding the refinancing, CW2 purported to be TROUTMAN's attorney. CW2 falsely told TROUTMAN that CW2 was an attorney. An inquiry with the Illinois Attorney Registration and Disciplinary Commission does not list CW2 as an attorney licensed to practice law in Illinois. CW2 told agents during interviews that he/she is not a licensed attorney.

investigations of CW2's mortgage fraud scheme and of TROUTMAN. CW2 is represented by counsel. CW2 is cooperating in the hopes of receiving consideration from the government in its charging decision and/or sentencing recommendation, but nothing has been promised to CW2 regarding what charges, if any, will be brought against CW2 and what sentence CW2 will receive if charged and convicted. As discussed in more detail below, the FBI provided CW2 with \$6,000, which was given to TROUTMAN by CW2 as re-payment of a loan she made to CW2 in about 2003.

16. Information provided by CW2, an ex-employee of Harris Trust and Savings Bank (“Harris”), public records, documents obtained through the use of grand jury subpoenas and *ex parte* orders show the following. On about February 18, 1998, TROUTMAN secured, through First National Bank of Chicago, a “single family construction” mortgage to rehabilitate the Kimbark home. The maximum amount available under the construction loan was \$226,100. On about March 15, 2000, TROUTMAN modified the above note now held by Chase (formerly known as First National Bank of Chicago and Bank One) to a conventional mortgage in the amount of \$185,766.

17. Sometime in or about May 2003, TROUTMAN began the process of refinancing this mortgage by applying for a home equity line of credit, secured by the Kimbark home, from Harris for \$300,000. CW2 was given power of attorney by TROUTMAN to act on her behalf for purposes of securing the mortgage from Harris. In about June or July 2003, CW2 submitted the loan application to Harris.

18. During the processing of the loan application, Harris employees noticed significant problems with TROUTMAN’s application, including the fact that TROUTMAN’s debt to income ratio was not acceptable, in Harris’ view, in order to satisfy Harris that TROUTMAN would be able to make her monthly mortgage payment for a \$300,000 loan. A Harris employee contacted CW2 and informed CW2 that TROUTMAN’s debt to income ratio was “tight” and asked if TROUTMAN could show any additional sources of income, other than her City of Chicago aldermanic salary. Shortly after this conversation, CW2 sent a letter dated May 21, 2003 (the “May 21, 2003 letter”), signed by CW2 of “CW2 & Associates, LLC” [a purported law firm] stating that TROUTMAN was hired by that law firm as a consultant on February 3, 2003 at a yearly salary of \$30,000 for a term of 5 years.

19. During interviews with agents, CW2 related that CW2 created the May 21, 2003 letter and that CW2 never employed nor paid TROUTMAN as a consultant in any year. CW2 stated that CW2 told TROUTMAN about her debt to equity issue relating to the pending Harris loan application, and of a way to fraudulently increase TROUTMAN's income through submitting the May 21, 2003 letter to Harris. After receiving this information, TROUTMAN asked CW2 if the Harris bank employee CW2 was dealing with could be trusted in handling this matter. CW2 told TROUTMAN about the amount of her additional income CW2 included in the May 21, 2003 letter. Based on this information regarding TROUTMAN's additional income, the loan application was ultimately approved by Harris.

20. On or about July 23, 2003, CW2 and TROUTMAN were present in an office in TROUTMAN's ward office where the closing for the mortgage took place. At about that time, Harris issued two checks for a total of \$300,000.

21. During interviews with agents, CW2 stated that a few months after the July 23, 2003 closing, CW2 asked TROUTMAN for a cash loan needed to pay a plumbing contractor. Thereafter, CW2 met TROUTMAN in the basement of her Kimbark home, where TROUTMAN retrieved a box containing stacks of cash; removed \$10,000 of it; then gave the cash to CW2.

22. While cooperating with the FBI, and as more fully described below, CW2 met with TROUTMAN on May 15, 2006, June 16, 2006 and August 30, 2006 at her ward office, or at her home on Kimbark. Prior to these meetings, CW2 was fitted with a recording device, searched for the presence of contraband and cash, and given \$2,000, \$3,000 and \$1,000 in cash by agents on these respective dates. The funds were to be used to re-pay TROUTMAN for part of the \$10,000 she loaned to CW2 in about 2003. CW2 recorded each of these meetings, during which CW2 gave

TROUTMAN the funds provided to CW2 by agents.

2. Recordings Between CW2 And TROUTMAN Regarding Bribe Payment

23. While cooperating with the FBI, CW2 met with TROUTMAN in person and spoke to her over the telephone on numerous occasions, beginning in about May 2006 and continuing through the present time, regarding TROUTMAN's stated intention of supplementing her aldermanic income in exchange for her taking official action. Prior to each of these meetings or telephone conversations, CW2 and/or his/her telephone were fitted with a recording device. Each of these recordings have been reviewed by agents. Some of these recordings captured both the audio and video portions of the conversations. Following the telephone calls and meetings, the recordings were collected by agents.

a. May 15, 2006 Recording

24. From about January 2006 until early May 2006, CW2 was not in contact with TROUTMAN due to the fact that CW2 had not yet repaid the \$10,000 that CW2 borrowed from TROUTMAN. In about early May 2006, as part of CW2's cooperation with law enforcement, CW2 contacted TROUTMAN and they agreed to meet at the ward office. During CW2's recorded meeting with TROUTMAN on May 15, 2006, TROUTMAN told CW2 that she was currently paying \$2,200 per month in mortgage payments and asked CW2 to help her again refinance her mortgage in order to lower her monthly payment. TROUTMAN added, "Well what I need when you come back, I really need to invest, I need to, my credit is good, I got good, I need to get some income property...and I need it, I need to have some money, I need another income." CW2 asked if she wanted a steady income, and TROUTMAN responded that she did. CW2 then suggested that

CW2 could assist her in buying a building. Later in the conversation, TROUTMAN told CW2 that she lent the owner of a hotel in her ward cash in the past and that the person she loaned the money to owed her more than what she loaned to CW2 in 2003 [\$10,000]. During this meeting, CW2 gave TROUTMAN \$2,000 as partial re-payment of the \$10,000 she loaned to CW2 in 2003.

b. June 16, 2006 Recording

25. On June 16, 2006, CW2 recorded a meeting with TROUTMAN inside TROUTMAN's ward office. During the meeting, CW2 gave TROUTMAN \$3,000 as a further, partial re-payment of the \$10,000 she loaned to CW2 in 2003. CW2 told TROUTMAN that he/she researched investment properties on her behalf located in the 20th Ward, including a building in the area of 55th and Union Streets. TROUTMAN stated, "Right, I want something that...income...and it's gonna help me at the end of the year too. (Unintelligible) my money." CW2 requested that TROUTMAN provide him/her a map of her ward in order to determine if pieces of real estate CW2 found for TROUTMAN were located in the 20th Ward. TROUTMAN agreed to provide CW2 with a map.

26. Later in the conversation, CW2 and TROUTMAN discussed a real estate developer that they were familiar with who purchased and rehabilitated properties in the 20th Ward. In speaking about this developer, TROUTMAN stated, "I mean he used to do things, but see it was a quid pro quo, you know, but now it's like, you know he is the shit and I, but he still want me to do too much now I could probably, if I did more, then he would act that way since I'm not doing as much because, now he wants, I, I have to pay (laughs) like..." TROUTMAN added, "Well, the thing is, most aldermen, most politicians are hos."

c. June 30, 2006 Recording

27. On June 30, 2006, CW2 recorded a meeting with TROUTMAN inside TROUTMAN's ward office. During the meeting, CW2 and TROUTMAN completed an internet credit history application for her based on information she provided CW2. CW2 mentioned that he/she was contacting banks in the Chicago area to try and find a low interest refinancing rate. TROUTMAN stated that she wanted to pay her mortgage based on a three percent interest rate. CW2 stated that CW2 would use the same letter [the May 21, 2003 letter stating that TROUTMAN was a consultant for CW2 earning \$30,000 per year] for income if her debt to equity ratio was not good. TROUTMAN replied, "Okay." Later, CW2 stated, "If it's the, the debt to ratio thing is off we got to supplement it with a job [a false employment history for TROUTMAN], I can do, I can use my business." Again TROUTMAN stated, "Okay." TROUTMAN told CW2 that she wanted the lowest home mortgage interest rate possible because she needed more money.

d. July 18, 2006 Recording

28. On July 18, 2006, CW2 recorded [audio and video] a meeting with TROUTMAN inside TROUTMAN's Chicago City Hall office. During the meeting, CW2 and TROUTMAN prepared a loan application to refinance her Kimbark home. During this meeting, TROUTMAN asked CW2 if she could use a different zip code other than the one for her Kimbark home, in order to secure a more favorable credit score that would facilitate getting better loan terms from the bank. They continued to discuss her credit score and debt to income ratio. TROUTMAN stated, "How do I take care of this [improve her credit score]. CW2 told TROUTMAN that in order to qualify for the loan and a favorable interest rate, he/she would have to write the lending institution a letter indicating CW2 was paying TROUTMAN \$35,000 per year as a consultant. During their conversation, CW2 showed TROUTMAN a copy of the May 21, 2003 letter and told her that the

lending institution may call her to verify her non-existent employment with CW2, to which TROUTMAN stated, "Okay." TROUTMAN asked CW2 if she submitted false employment and income information to Harris in 2003. CW2 confirmed she did and TROUTMAN stated, "Okay." TROUTMAN told CW2 that, "You can say whatever you want to say."

29. Pursuant to a question on the loan application, CW2 asked TROUTMAN if she owned any other properties other than her Kimbark home, to which she responded that she owned another property but that it was not in her name. The completed application that was submitted to the lender indicated that TROUTMAN only owned the Kimbark property, even though she admitted to CW2 to owning another piece of real estate. The original documents and the loan application were mailed via FedEx on or about July 28, 2006 to the lending institution. Attached and made part of the application were copies of the May 21, 2003 letter and a letter dated July 17, 2006 on the same letterhead as the May 21, 2003 letter, indicating that TROUTMAN is a consultant to CW2's law firm and is paid \$35,000 per year for her services. Copies of these documents were made and retained by agents. During the meeting, CW2 and TROUTMAN agreed to meet regarding potential real estate investment opportunities for her.

e. August 29, 2006 Recording

30. On August 29, 2006, CW2 recorded a telephone call with TROUTMAN, who was using her cellular telephone, number (312) 437-3632. During the call, CW2 and TROUTMAN discussed the scheduled closing for her refinancing mortgage loan for August 30, 2006. TROUTMAN asked CW2 if she would be receiving funds from the loan in excess of those needed to re-pay her current mortgage. CW2 told her that she would be receiving extra funds, to which TROUTMAN responded, "Shit, I'll take it, I need some money..."

f. August 30, 2006 Recording

31. On August 30, 2006, CW2 recorded a meeting with TROUTMAN at her home on Kimbark. During the meeting, CW2 gave TROUTMAN \$1,000 as an additional, partial re-payment of the \$10,000 she loaned to CW2 in 2003. When giving TROUTMAN the \$1,000 in cash, CW2 commented that the cash should go back “into the shoebox,” which was a reference to the location where TROUTMAN retrieved the \$10,000 cash that she loaned to CW2 in 2003.

32. Later in the conversation, CW2 mentioned that he/she was approached by a wealthy investor who gave CW2 a large amount of money in which to purchase buildings and rehabilitate them into apartments. TROUTMAN told CW2 that the market for rehabilitating buildings in her ward was saturated. TROUTMAN suggested to CW2 that he/she should look into new construction developments. During the same conversation, TROUTMAN asked CW2 how much money CW2's investor had, and CW2 responded that the investor was currently involved in a \$16,000,000 project in the area of 167th and Pulaski streets. CW2 told TROUTMAN that CW2 did not know what to do with the money the investor entrusted to CW2 to invest. TROUTMAN then received a call, at the conclusion of which, she remarked to CW2, “Everyone needs me, shit, what about me, I need something too.”

33. Later in the discussion, CW2 said to TROUTMAN that if CW2 could convince the investor to invest in real estate purchases in the 20th Ward, which CW2 said he/she would describe to the investor as South Hyde Park, would TROUTMAN help CW2 expedite the construction process. TROUTMAN agreed and said, “Okay, I got you, I got you...” She then asked CW2, “I need to know what you want me to do.” CW2 said he/she would contact the investor and talk about a project. TROUTMAN then told CW2 that she would tour her ward with CW2 soon in order to

identify potential parcels of real estate where the investor's money could be invested.

g. September 26, 2006 Recording

34. On September 26, 2006, CW2 recorded a meeting with TROUTMAN which began at her home on Kimbark. TROUTMAN then entered CW2's vehicle and they drove to the area of 57th/58th and Halsted streets. During their discussion in CW2's vehicle, CW2 directed TROUTMAN's attention to buildings and vacant land at approximately 5730 S. Halsted, as well as surrounding parcels of real estate. CW2 informed TROUTMAN that CW2's investor was planning on purchasing these parcels, and developing a mixed-use development of commercial space on the ground floor, and market-value residential units on the second floor. CW2 informed TROUTMAN that, according to the City of Chicago, the parcels of real state in question were currently zoned for commercial use only and not residential or mixed-use. CW2 informed TROUTMAN that CW2 was reluctant to spend the investor's \$1,000,000 without ensuring that the area would receive the proper zoning for the intended project.

35. CW2 told TROUTMAN that the properties they were looking to purchase were privately owned and that CW2 and the investor needed a zoning change. TROUTMAN responded, "Honey, you don't have to show me for no zoning change, I'll support it...are they mine?" CW2 responded that the parcels indeed were located in the 20th Ward. TROUTMAN then stated, "What do I get out of it?" CW2 stated that the parcels of real estate he/she was directing TROUTMAN to were for sale and they were awaiting an environmental assessment. TROUTMAN said, "I like it (Unintelligible)." CW2 said, "You want to get it for you?" TROUTMAN said, "Yeah, and the lot next door...this is a nice building, what they want for it?"

36. Shortly thereafter, CW2 asked TROUTMAN, "What's it gonna take (Unintelligible)...name your price..." TROUTMAN said, "I need to (Unintelligible)..." CW2 said, "So uh..." TROUTMAN stated, "Name your price for what?" CW2 then told TROUTMAN that he/she wanted to make sure that the property to be purchased would get the proper zoning change. CW2 informed TROUTMAN that CW2 controlled the acquisition costs for the development, and told TROUTMAN that the project cost of construction would be about \$1,500,000, then asked TROUTMAN if CW2 could pay TROUTMAN \$25,000 to get the property re-zoned.

37. TROUTMAN responded, "Tell him [the investor] this is what I want out of it. Now you don't say that." CW2 said, "Right, you just tell me." TROUTMAN continued, "I'll tell you 'cause you don't want to put me in it.." CW2 said, "No, no, no..." TROUTMAN continued, "Don't ever put me in any of it." Later in the conversation, TROUTMAN asked CW2 what the investor planned to build at the proposed location, and CW2 indicated that the development would be commercial and market-value residential above the commercial space.

38. Then, TROUTMAN continued to tell CW2 what he/she should request of the investor, on TROUTMAN's behalf, in exchange for her support for the re-zoning, "You want a commercial space and an apartment right above it." CW2 agreed and said that the residential units would not be shabby and would cost about \$150,000 to construct. TROUTMAN said, "So, so you see what I'm sayin'. I'm fittin' to have a unit and a commercial space just that I own out of that instead of leasing it. That'll be a good investment...I could put a...you see what I'm sayin'?" CW2 responded, "So we give you, instead of dealing with money, we give you a building." CW2 asked how finished TROUTMAN wanted the construction of the building she would get to be, and she said she wanted it complete. CW2 asked if she wanted a corner lot and TROUTMAN responded that that

was not necessary.

39. CW2 informed TROUTMAN, "I'll see the guy tomorrow to tell him what it's gonna take, um, for the building. Give me to Thursday to order the title report on the building you want then we gotta brainstorm on how we gonna...gettin' it is not gonna be your problem, the financial part on paper. Do you want this (Unintelligible) or you want it keep it private?" TROUTMAN responded, "What the building?" CW2 said, "Yeah, the one on the east side of the street." TROUTMAN said, "I'll create some shit, we'll think about it."

40. Near the end of this conversation, TROUTMAN asked CW2 when he/she would make the next payment toward paying off the \$10,000 loan she made to CW2 in 2003.

h. October 30, 2006 Recording

41. On October 30, 2006, CW2 recorded a telephone call with TROUTMAN. The call was placed to her cellular telephone number (312) 437-3632. Documents received pursuant to grand jury subpoenas disclose that the service provider for this number is US Cellular, and that the number is not registered in TROUTMAN's name. US Cellular records and records obtained through grand jury subpoena regarding CW2's cellular telephone corroborate that a call was placed by CW2's telephone to the telephone used by TROUTMAN on October 30, 2006 at approximately 2:25 Central Time. The call lasted approximately 8:53 minutes.

42. During the call, TROUTMAN told CW2 that she was presently out of town at a health spa located in San Diego, California, and would be there for a week. Bank records obtained in response to grand jury subpoenas regarding use of one of TROUTMAN's credit cards show that, in the past, she has paid for credit charges made to the Optimum Health Spa located in San Diego, California. Additionally, these bank records show that charges to one of TROUTMAN's credit

cards were made on October 2, 2006 and October 31, 2006 in the amounts of \$400.00 and \$325.00, on these respective dates, to the Optimum Health Spa located in San Diego, California. CW2 told TROUTMAN that they needed to talk about business and asked her if she could find a telephone where she felt secure. TROUTMAN said, "Why don't you just talk in code, just go ahead." CW2 and TROUTMAN then briefly discussed her mortgage refinancing. CW2 then told TROUTMAN that his/her investor was happy that she would support the zoning change needed for the development on Halsted Street that they previously discussed. CW2 told her that the investor would rather make a cash payment to her than provide her with part of the real estate involved in the project, and that the amount of the cash payment to her in exchange for her support of the zoning would not be a problem. TROUTMAN responded, "Okay that sounds great. As soon as I get back, I'll deal with that."

i. November 15, 2006 Recording

43. On November 15, 2006, CW2 recorded a meeting with TROUTMAN in CW2's vehicle. During the conversation, CW2 informed TROUTMAN that the project on Halsted Street was going forward and that the investor was happy with her support of the zoning change. Notwithstanding the October 30, 2006 telephone call, CW2 told TROUTMAN that she would receive a commercial and residential unit in the development that she requested, and that the investor would allow CW2 to give her \$5,000 extra for her support of the re-zoning for the project. CW2 told TROUTMAN that her letter of support to change the zoning from straight commercial to mixed-use was all that the investor was waiting for before proceeding with the purchase of the real estate. TROUTMAN confirmed that she would receive a finished unit, both top and bottom, including an apartment. Later in the conversation, TROUTMAN asked CW2 if she could get a second unit.

CW2 responded that the investor would rather give her cash than more parts of the development. TROUTMAN agreed to supply CW2 with a letter of support regarding the zoning change.

j. November 29, 2006 Recording

44. On November 29, 2006, CW2 recorded a meeting with TROUTMAN at her ward office on South State Street. Prior to this meeting, agents searched CW2 for the presence of contraband and cash. Agents then provided CW2 with \$5,000 in the form of 50 \$100 bills. CW2 and TROUTMAN met in one of the offices. CW2 told TROUTMAN that he/she was there to get the letter of support for the zoning change she promised to provide. TROUTMAN told CW2 that the letter should be addressed to the new, female city zoning administrator and that she would have the letter done the next day because her chief-of-staff, who typically prepared these letters, was not presently in the office.

45. At that point in the conversation, CW2 handed TROUTMAN the \$5,000 of government funds, and said, "Here is 5, I got 15 total for you." TROUTMAN said, "Okay, say no more, umm." CW2 said, "But I gotta..." TROUTMAN said, "Say no more, hand me that phone." TROUTMAN proceeded to page one of her ward employees. CW2 asked TROUTMAN if someone was going to type the letter and she responded that someone will type a "good" letter but that first she would place a call to the city zoning administrator, which she did. Once the administrator came to the phone, TROUTMAN placed the call on speaker phone so that CW2 could hear the entire conversation, which was also recorded.

46. During the call, TROUTMAN told the administrator that she had an investor that was going to build a mixed-use commercial and residential development at 5730 S. Halsted but that the present zoning was not conducive to the investor's needs. The administrator told TROUTMAN that

the project, as explained by TROUTMAN, could proceed under the current zoning of C1-2, and that a zoning change was not necessary. After this call, TROUTMAN called out for one of her employees, who came into the room. TROUTMAN told this employee that she needed a letter of support prepared addressed to the City of Chicago's planning commissioner for CW2's project.

47. TROUTMAN told CW2 she would check to make sure that the letter was routed properly and made a call to a male City of Chicago employee for the planning commissioner, who was familiar to TROUTMAN.² TROUTMAN placed this call on speaker phone so that CW2 could hear the entire conversation, which was also recorded. TROUTMAN explained the project and asked if she should send her letter of support to the planning commissioner. The employee told TROUTMAN that because the real estate to be purchased was not owned by the city, a letter of support from her was not necessary.

48. During the call, CW2 stated that he/she needed "alley help" [authorization to use a city alley for egress and ingress to the parking area of the development]. TROUTMAN then told the employee that the investor needed alley access, to which the employee stated that the investor "definitely" needed a letter of support from TROUTMAN addressed to the planning commissioner and/or to the Chicago Department of Transportation ("CDOT") commissioner in order for the investor to be able to use a city alley for access to enter and leave the parking area for the project. TROUTMAN said, "Okay, I'll give [CW2] an alley egress/ingress letter now even though that's down the line. I'll give it to [CW2] now to make [CW2] comfortable...so we're straight then." After the call ended, TROUTMAN told CW2 that she took care of [CW2].

² Recordings and other evidence gathered during this investigation shows that this employee has also been referred to by TROUTMAN and some of her associates as a member of her economic development board for the 20th Ward.

49. TROUTMAN then instructed a member of her aldermanic staff to prepare a letter supporting alley egress/ingress for the 5730 S. Halsted project. The staff member told TROUTMAN that she would also need to approve a driveway form, for which TROUTMAN agreed to do. CW2 thanked TROUTMAN and they discussed potential city forestry department issues regarding the project. CW2 told TROUTMAN that CW2 had to justify to the investor spending another \$10,000 on the project, and later, TROUTMAN asked CW2, "Don't you know how to talk in code?"

50. A few minutes later, TROUTMAN's staff member returned and handed TROUTMAN a letter of support for alley access for the 5730 S. Halsted project ready for her signature. TROUTMAN then signed the letter, and CW2 asked for a copy, which was provided to CW2. This letter is marked as Government Exhibit 2, and is attached to and made a part of this Affidavit. Later in the conversation, TROUTMAN told CW2 that the letter would be sent to the CDOT commissioner.

51. At this point in the conversation, TROUTMAN told CW2 that CW2 needed to have CW2's investor commit to buying 10 tickets for her upcoming "Black Satin" campaign fundraiser to be held on or about December 16, 2006; that each ticket cost \$1,500; then handed CW2 the tickets [TROUTMAN is running for re-election as the 20th Ward alderman in the February 2007 election]. Specifically, TROUTMAN told CW2, "Look...I need you to...commit to doin' ten Black Satins, now how you do that..." CW2 said, "Huh, okay." TROUTMAN continued, "How do you do that...you go to your guy, and this ain't in the fifteen [\$15,000, unrelated to the bribe money being provided to her]." CW2 said, "This is just business." TROUTMAN responded, "This is...he know fifteen muthafuckers that he go to, his builder, his plumber..." TROUTMAN told CW2 that if the investor was going to write a check for the cost of the tickets, the check should be made out to the "Twentieth

Ward Women's Auxiliary.”

52. During the course of this investigation, agents accessed the Illinois State Board of Elections' web page and ran several queries for TROUTMAN and the Twentieth Ward Women's Auxiliary. In response to these queries, no record of the Twentieth Ward Women's Auxiliary was located, but two other campaign committees are listed for TROUTMAN.

53. Later in the meeting, TROUTMAN told CW2 that CW2 could urge the investor to buy the fundraising tickets because she was, "...saving him money on zoning. Saving money on all this shit. I talked to the zoning commissioner her fucking self and the planning commissioner..." CW2 asked if the investor could make the payment for the tickets a political contribution, to which TROUTMAN responded that if the investor was going to write a check for the tickets as a political contribution, he would have to make the check to "Citizens for Troutman." According to the Illinois State Board of Elections' web page, Citizens for Troutman is an active campaign committee whose office is located at the same address as TROUTMAN's ward office of 5859 S. State Street.

54. During their meeting, TROUTMAN took notes on CW2's pad of paper. Following the meeting, CW2 met with agents and provided the following: (1) notes that TROUTMAN wrote; (2) a copy of the letter of support signed by TROUTMAN addressed to the acting CDOT commissioner for alley ingress/egress at 5730 S. Halsted (the letter also states that TROUTMAN is asking that the required permits for the alley access be issued pending passage of the ordinance for such access by the city council); (3) a copy of the ordinance TROUTMAN will introduce signed by her regarding the alley access for 5730 S. Halsted, a copy of which is marked as Government Exhibit 3, and is attached to and made a part of this Affidavit; (4) a memo to the city coordinator of driveway permits indicating TROUTMAN's approval to allow alley ingress and egress for 5730 S.

Halsted; and (5) the fundraiser tickets she gave to CW2. Additionally, CW2 was again searched and was no longer in possession of the \$5,000 provided to CW2 by agents.

k. December 5, 2006 Recording

55. On December 5, 2006, CW2 recorded a telephone call with TROUTMAN that was placed to TROUTMAN's ward office. During the call, CW2 asked TROUTMAN if the letter of support she signed for the CDOT commissioner regarding the 5730 S. Halsted project was delivered. TROUTMAN replied that the letter was sent and would be introduced before the city council at its next session on December 13, 2006. TROUTMAN explained the process for obtaining the type of alley access CW2 needed. TROUTMAN stated that the letter of support she signed was sent to a staffer for the CDOT commissioner, who prepares the ordinance for the alley access for the city council's review. TROUTMAN added that after the city council's review, the ordinance goes to a committee then back to the city council.

l. December 14, 2006 Recording

56. On December 14, 2006, CW2 recorded a meeting with TROUTMAN at a YMCA located on the south side of Chicago. Prior to the meeting, agents provided CW2 with a check, drawn from a government account, in the amount of \$5,000 which was made out to the Twentieth Ward Women's Auxiliary. The check represented funds purportedly provided by CW2's investor for some of the tickets given to CW2 by TROUTMAN for her campaign fundraiser.

57. At the start of the meeting, TROUTMAN told CW2, "I got your access yesterday in the city council...it went well...it goes to the committee now." CW2 handed TROUTMAN the \$5,000 check given to CW2 by agents and told her that the check was made out as she instructed, to the Twentieth Ward Women's Auxiliary. TROUTMAN asked if the check was for the fundraiser

tickets. CW2 responded that the \$5,000 check was a contribution or “whatever you want to make it,” and that the investor wanted to know what TROUTMAN would provide him with in exchange for this \$5,000.

58. TROUTMAN said, “What did you tell him, an introduction...letter [to the city council of the letter of support for alley access]?” CW2 said that CW2 informed the investor that the tickets cost \$15,000. TROUTMAN said, “Did you tell him an introduction that quick, we make people wait, we can make you wait a year?” TROUTMAN and CW2 then discussed what to tell the investor about the benefit he would receive from TROUTMAN in exchange for the \$5,000 check. TROUTMAN suggested telling the investor that the \$5,000 check was used to make him a sponsor in her campaign fundraiser advertisement book. She then asked CW2 if CW2 told the investor that the cost of the tickets was \$15,000 not \$5,000. TROUTMAN then said, “Why don’t I give you a letter of the introduction [to the city council] of the letter of alley egress/ingress. What about that? Is that good?” TROUTMAN instructed CW2 to tell the investor that the \$5,000 check was in exchange for TROUTMAN introducing her letter of support for the alley access at 5730 S. Halsted to the city council on December 13, 2006.

IV. CONCLUSION

WHEREFORE, Affiant submits that the foregoing evidence establishes that the above listed defendant, ARENDA TROUTMAN, committed the offense of bribery, in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

FURTHER AFFIANT SAYETH NOT.

JOAN MARIE HYDE
Special Agent, FBI

SUBSCRIBED AND SWORN TO BEFORE
ME THIS 5TH DAY OF JANUARY 2007.

ARLANDER KEYS
UNITED STATES MAGISTRATE JUDGE